

AIR FORCE

UNCLASSIFIED
(Security Classification)

DO NOT TYPE IN THIS SPACE

8626-2552/1-1557

XR 8502557

FOREIGN SERVICE DESPATCH

FROM : Aachen DUESSELDORF

169
DEPT. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 10, 1958

REF : CERP for Germany, Sec. D-VII-A-6, D-IX-B-1

For Use Only	ACTION Fur. 9 REC'D 1-19	DEPT. N O Rmk. & Reg-1 IRC & ICA 10 E. 7 5/10-1 Can-10 IN-7 TAR-2 Can-10 LAB-5
--------------	-----------------------------------	--

SUBJECT: Krupp's Coal and Steel Production Capacity After Merger with Bochumer Verein.

The High Authority of the Coal and Steel Community has finally approved the merger of the Bochumer Verein fuer Guessestahlfabrikation AG., Bochum, with the Huetten- und Bergwerke Rheinhausen AG., the holding company for the coal and steel assets of the Krupp concern.

In the fall of 1957 the holding company had requested the High Authority's permission to acquire the majority holding in Bochumer Verein. The High Authority emphasized that judging the application of Rheinhausen exclusively by the economic criteria laid down in the Coal and Steel Treaty, it appeared that joint production capacities and deliveries will not enable the two companies to escape competition in the Common Market. The positive decision of the High Authority is bound, however, to the condition that future investments of the Bochumer Verein, as well as of the Huettenwerk Rheinhausen (the steel subsidiary of the Huetten- und Bergwerke Rheinhausen AG.) will require the High Authority's approval. The obvious reason for this condition is to keep the further development of the Krupp steel-complex under control.

The importance of the combined enterprises after the merger is evidenced by the fact that in the framework of the European Coal and Steel Community, the new Krupp concern will have a 3.0 percent share in hard coal production, a share of 4.4 percent in coke production, of 5.7 percent in pig-iron production, of 5.5 percent in crude steel production, and of 3.7 percent in finished rolling mill products.

The coal and steel group of the Krupp concern now consists of Huettenwerke Rheinhausen AG., Bergwerke Esen-Roesseray AG., and Steinkohlenbergwerk Hannover-Hannibal AG., all 100 percent subsidiaries of the Huetten- und Bergwerke Rheinhausen AG. Bochumer Verein and the coal-mine Constantin der Gruppe will soon be added as direct and indirect majority holdings. The annual output of both coal mines, Esen-Roesseray and Hannover-Hannibal totals 3.8 million tons. The annual production of the coal mine Constantin der Gruppe averages 2 million tons. Including the output of Constantin, the Krupp group will account for about 5 percent of total West German hard coal production. After the concentration, the enterprise's total coal resources will be large enough to satisfy 75 percent of its own coke requirements.

The annual crude steel capacity of the Huettenwerk Rheinhausen AG amounts to

UNCLASSIFIED

INFORMATION COPY

Retain in divisional files or destroy in accordance with security regulations

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES/METHOD EXEMPTION
NAZI WAR CRIMES DISCLOSURE
DATE 2006

BEST AVAILABLE COPY

FOR COORDINATION WITH State

Page 2 of
Dep. No. 169
From Amosgen DESD

UNCLASSIFIED
(Classification)

Page of
Encl. No.
Dep. No.
From

2.4 million tons. Production capacity of the Hoohumer V rein totals 1.6 million tons. With a total capacity of 4 million tons of crude steel per annum, the Krupp concern will soon be the largest steel producers in West Germany.

Total sales of the Krupp concern during 1957 amounted to DM 3.43 billion. Sales of the Hoohumer V rein during the business year 1956/57 reached DM 722 million. A total of over DM 4 billion would represent the largest sale's result yielded by a West German enterprise in 1957.

Raymond P. Ludden
American Consul General

Distribution

Boen/OA, Ambassador, Bonn	(5)
Boen/REC, " "	(2)
CCG, " "	(1)
Files & Records, " "	(1)
ECSC, Luxembourg	(1)
USRO, Ambassador, Paris	(2)
Amosgen Bremen, Frankfurt, Hamburg,	
Munich, Stuttgart	(1 ea.)
U. S. Mission, Berlin	(1)

UNCLASSIFIED

BEST AVAILABLE COPY